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More Arrests Called Possible in Sale of Missile Data to Poland

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SAN FRANCISCO, Oct. 18 — The prospect of more arrests in connection with the selling of American military secrets to Poland was raised today by officials of the Department of Justice.

The Federal Bureau of Investigation and the United States Attorney's office here announced Monday that James Durward Harper Jr., a 49-year-old freelance computer engineer, had been accused of selling missile data to a Polish spy for more than \$250,000.

According to documents made public when he was arraigned, Mr. Harper told Federal officials a story that implicated William Hugie, an engineer, in the early stages of the conspiracy.

"We're looking at Hugie and others involved," said an official in Washington who asked not to be identified. "We're hoping Harper will help us get at them if we tie the knot tight enough."

Harper Is Out of Sight

Except to say their investigation is continuing, Federal officials here have refused to comment when questioned about Mr. Hugie.

When Federal officials announced Mr. Harper's arrest, they said they had not tried to interview him beforehand, so they did not know he was willing to cooperate, as he announced at his ar-



Associated Press

James Durward Harper Jr.

raignment.

Officials at San Francisco jails where Federal prisoners are generally held said Mr. Harper was removed from their custody Monday morning. Therefore, those following the case believed that he was being interviewed in depth by F.B.I. agents.

Also, because public documents filed at his arraignment speak of Mr. Harper's possessing as much as 200 pounds of stolen military secrets that were not sold to Polish agents, it was seen as possible that he was leading F.B.I. agents to his caches.

Secret Stores of Cash

Allan M. Power, the F.B.I. agent whose affidavit was filed with the court to justify Mr. Harper's arrest, said in it that he believed Mr. Harper had "large quantities of cash secreted in accounts and locations both in and outside the United States."

While the papers filed estimate Mr. Harper's income from selling the Minuteman rocket system research documents at "more than \$250,000," the story told in the affidavit shows him asking \$1 million and intelligence officers of the Soviet Union telling their Polish surrogates to pay Mr. Harper what he wanted.

Mr. Hugie, owner of B & B Associates of San Jose, is depicted in the court papers as introducing Mr. Harper to the Polish spy who eventually paid Mr. Harper for the secret data.

Mr. Hugie is described in the court papers as being present when Mr. Harper talked to the Polish intelligence officer, Zdzislaw Podrychodzien, at a meeting in Warsaw in May 1979. At that meeting, the affidavit indicates, Mr. Harper outlined how the money for the documents would be divided. Mr. Hugie was to get a third, Mr. Harper a third and Mr. Harper's source of the papers a third, the records state.

In the material that he provided to the Central Intelligence Agency and the F.B.I. when he was trying to reach an immunity agreement for himself, Mr. Harper told of his relationship with Mr. Hugie, whom he referred to as the Big Man. Mr. Harper believed the Polish intelligence officer to be a Government minister and referred to him as the Minister in his early, anonymous statements to American officials.

"The Big Man assured the Minister I could be trusted, and the Minister said he was very interested," Mr. Harper told Federal officials in a statement delivered to them by a lawyer in the

immunity negotiations. "The three of us, the Minister, the Big Man and myself, went to my room and set up another meeting in Vienna in October."

Help from Polish Source

At that meeting in 1979, Mr. Harper supposedly delivered abstracts of military documents. He said Mr. Hugie accompanied him. At a May 1980 meeting, Mr. Harper told the Federal officials, the Polish official told him to cut Mr. Hugie out of their dealings.

The Federal authorities also said in court papers that they confirmed some of Mr. Harper's story through information from a secret source who was an official in Polish intelligence in 1979. Thus, the American intelligence agencies knew then that some major leak was in progress.

Mr. Hugie has turned out to be the mystery man in the case. He has had several, generally unsuccessful business ventures in the Silicon Valley, the name given to an area stretching from Palo Alto to San Jose that contains many high-technology companies.

He has not been available to reporters who have sought to meet with him since Mr. Harper's arrest was announced. The Associated Press reported today that Cheryl Nobari, Mr. Hugie's daughter, said she spoke with her father Monday morning. She described him as "very confused."

In 1972 he ran unsuccessfully for the Democratic nomination for the House of Representatives in the district represented by Paul N. McCloskey Jr., a Republican. In 1970, when he founded the Semiconductor Equipment and Materials Institute, a nonprofit trade show organizing agency, he spoke out for expansion of trade in electronic goods with Iron Curtain countries.

B & B Associates, his current business name, is operated out of a shingled townhouse complex on Calle de Prospero in San Jose where Mr. Hugie now lives. No one answered the door today.